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ABSTRACT

Aspects of how a board of trustees is designed to function, how its membership is selected, how it is educated, and how business is conducted are discussed. General characteristics of boards of both public or private institutions are identified, with emphasis on the role and responsibility of the chairman. Suggestions are offered regarding the tenure of chairpersons, relationships to chief executive, trustee meetings, policy making, kinds of trustees, functions of the executive committee, trustee advocacy and support for the board and institution, presidential evaluation, and disclosure of facts. Guidelines for the education of a new trustee and the continuing education of all trustees are offered. (LBH)

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TRUSTEE CHAIRMANSHIP: POSITION AND FUNCTION

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Educational, institutional, and organizational literature is replete with articles, chapters, and reports of discussions about boards of trustees. The functions, responsibilities, and faults with boards are fully covered. But only one statement has been found where an author who sat as analyst, visitor, or member of boards, was concerned enough to address: "An Open Letter to the Chairman of the Board of Trustees." That person is Paul H. Davis, still a consultant to higher educational institutions. The statement is now over ten years old.

With more than 25 years personal experience as consultant to educational, health, religious, cultural and related organizations, we have worked with scores of boards, created them, redesigned them, upgraded them, upbraided them, complimented them, helped them. Further, being a college trustee, I am particularly sensitive to, understanding of, and sympathetic to the plight, problems, and potential of individual trustees and boards as a whole.

We are deeply concerned about how a board is designed to function, how its membership is selected, how it is educated, and how business is conducted. Whether the board of trustees (by whatever name it is called), serves a public or private eleemosynary institution, there are certain characteristics which maintain for all.

A board of trustees, the governing, policy board:

1. is charged by statute authority to 'hold' the institution in trust for the public interest as a not-for-profit corporation to achieve chartered purposes;

2. has financial management responsibility and authority over the entire institution;

3. must select and evaluate their chief executive officer who in turn becomes their manager;

4. must provide the central force for sponsorship and advocacy for institutional stability and security;

5. must set policies for administrators to implement but must not themselves implement;

6. serves as a court of last resort.

Within this framework, the board chairperson is too often recognized only as the presiding officer of meetings, the one with the most time availability, the one best to 'get along with the chief executive officer', is always listed first in all trustee tabulations, leads academic processions,

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and signs papers. Yet, that role by implication and in fact is that of highest public and personal responsibility within the entire institution.

What should be the characteristics of a board chairperson?

First, chairpersons should have demonstrated leadership potential. Intangible though this criterion is, demonstration of leadership capacity is crucial in times of tension as well as when matters are routine. Those who are apathetic or apologetic for their role are as counterproductive as those who are dictatorial. The leadership of a board of trustees requires executive finesse, patience, humility, conviction, and parliamentary skill, fairness, and concern for constructive board functions. The possession of leadership capacity is a talent; its use is a skill.

Second, chairpersons must be interested in, concerned for, understanding of, and students of his/her institution in all its dynamics and nuances. Eleemosynary institutions are different from all other organized forms - not the least of which is the intangible non-profit, non-production characteristic. Their "bottom line" is inexact even when playing the 'numbers game' - numbers of students, numbers of patients, numbers of members, numbers of any kind, and, numbers showing the impact of services. Their feature and force is the creation and stimulation of human creativity to learn, the capacity to heal, or to serve human and/or spiritual needs.

Third, chairpersons must know their institution - its nature, its people, its programs, its problems, its potential. Only then can leadership talent and skills be inspirational and directive for the board and the entire constituency.

Fourth, chairpersons must interpret the forces and issues which may accelerate or deter the institution from realizing fully its chartered purposes. They must prevent insulation or isolation from economic, political, or demographic facts and changes in terms of interpreting institutional response in advance of possible affect on the institution.

Fifth, chairpersons must possess strong intestinal fortitude. They must live with unpopular decisions, recalcitrant presidents, loquatious trustees, difficult problem people - politicians, staff, faculty, parents, businessmen, associations, media personnel, patients, clients. Here is where fairness, respect, and understanding as personal attributes come into play but where spontaneous acquiescence has no role. The temptation to apply personal and official pressures abound. The chairperson serves only as a member of a board not its chief authority. The chairperson is chairman of the board as a whole, not its sole voice.

Sixth, chairpersons must respect and utilize the structure over which they are chairman. Policy consideration and policy making is for the board of trustees. Policies may be recommended by the administration or by the board. But the implementation of policy is the responsibility of the chief executive officer whom the board selects and evaluates.

Trustee committee structure when present must be allowed to function to study policies, proposals, and evaluations and recommend accordingly. Short cuts, except in emergencies, frustrate the intent and practice of committee functions. Further, they in fact disenfranchise individual trustee responsibility and dissuade members from taking their role seriously.

Seventh, chairpersons must be managers and dreamers. They must manage their board and dream of what the board and institution may become in spite of evidences to the contrary. Much of the blame for the inability of boards of trustees to manage 1970 and 1980 institutions stems from the inability of boards to manage their own destiny. Successful, dynamic, involved, concerned boards of trustees do not 'just happen'. Their validity and vitality results from conscious management direction. There is less research and study of the trustee motivation and function, perhaps, then any other area of business or eleemosynary organizations. Yet, the responsibility of trustees to perform is firm, legal and final.

Given these characteristics in abundance, how can a board chairperson better execute his/her leadership responsibility? One answer may be - very carefully. Here some guidelines may be of assistance. These result from our observations in all kinds of institutions with all kinds of problems. Some have implications of general nature. Some are specific. All are intended to help chairpersons be better chairmen.

The tenure of chairpersons. Some believe that their appointment or election was by Divine authority hence, a life-long commitment to 'fill the chair' results. Not so. The chairmanship is a human condition. When a person becomes convinced that he is indispensable as chairman, both he and the institution are in trouble. A new chairperson must be concerned about his/her successor immediately. They must see to it that others on the board or those who are appointed or elected are of future chairmanship quality insofar as this is possible. In most institutions, no person should remain as chairman for more than five years. One year terms do not compliment the holder, the institution, or the public if the board or the institution takes the position of trustee chairman seriously. The chairmanship should not become too comfortable, or too mechanical, or too inhibiting for promising new leadership. Society's rate of change in all sectors demands leadership renewal for validity, effectiveness, and response.

Chairman and Chief Executive. How should a chairperson relate to the chief executive? Boss-employer? Buddy-buddy? Or protagonist-antagonist? None of these. First, one must try to understand chief executives. Some will say this is impossible. Perhaps so. But an understanding must be tried. Many boards undertake the appointment of such executives with great seriousness, secrecy, and sacro-sanct attitudes. Then, when the candidate accepts and reports, the board abdicates its responsibility and authority allowing the chief executive "to run the darned thing." And so he does. He gets to know the chairperson well if he can. If he can't, the chairperson of the selection committee soon becomes board chairman. Then all is well for awhile until something goes wrong or the chief executive is attracted elsewhere.

It is interesting for us to note over the years that it takes a chief executive about five years to reconstruct a board his way. This, of course, makes for a very comfortable arrangement. But the board is supposed to be responsible for the management of the institution, should be responsible for its own management, and for its manager, the chief executive. What happens results from the fact that the board defaults in its own responsibility to manage itself with assistance from, not direction by, the manager. Hence the board should create its own management vehicle by converting the nominating procedure or creating a Committee on Trustees with broad definition and functions and very, very strong trustees as members. The Committee on Trustees should rank second in importance only to the executive committee. It should define the trustee role and function, prepare and update a trustee profile, maintain lists of and research on trustee candidates (even those who may be elected), continually analyze present strengths of members, design the matching of tasks to people, design procedures for trustee enlistment and programs for trustee education. Too, it should be responsible for asking trustees to resign or accept non-active roles. This vehicle then becomes a planning tool, a management tool, and an evaluation tool for the board itself in which both the chief executive and chairperson play a vital role but neither one or the other actually controls.

With this self-management function provided for, the chief executive and chairperson can assume a joint role of institutional leadership: one for policy consideration, adoption, and evaluation; the other for policy implementation. The role of each officer must be carefully delineated and mutually respected.

Trustee Meetings. The chief executive and chairperson, should prepare each trustee meeting agenda to be educative as well as legally complete. Each meeting should address thoroughly one special subject, feature, event, or issue in addition to regular business. Something stimulating and educative should occur at each meeting. Routine reports of officers are always self-congratulatory, never self-immolating, and can be sent in advance. The process of design of such meetings can foster a great chief executive-chairperson relationship. Hence, there should be a conscious, constant effort to share the planning of trustee meetings to be substantive, interesting, and at the same time to allow proper time for generous discussion of critical items. You will be interested in C. Northcote Parkinson's law of triviality" ...the time spent on any item on an agenda will be in inverse proportion to the sum involved" (or the critical importance of the item to the institution). (Parenthesis added by author).

When do trustees have the opportunity to meet alone as trustees; to talk among themselves about strengths, problems, issues; to evaluate policies, procedures or people? The answer is, seldom. Yet, all other adversary and advocacy groups are structured to meet, form their positions, and descend upon a board of trustees for thoughtful, fair, binding action. Unless the chairperson finds a device - executive sessions, informal meetings, study meetings, trustee seminars - the board as individuals are a pitiful group of concerned, responsible people without a vehicle for preparation, evaluation, or defense.

Some institutions are mandated for open meetings exclusively for the public, media, students, faculty and staff. Most institutions, however, only schedule closed meetings. Those who sit in and sit through trustee meetings find little happening that cannot be shared with other institutional constituencies. Exceptions abound and are recognized, but matters of finance, personnel, and evaluations can be handled by committees, in executive sessions, and in informal sessions appropriate to the issue. Once open sessions are authorized and managed well the former mystery is removed and board members find themselves being the principal attendees. It takes about one year for others to find that boards are peopled by humans and doing their business well, at least as it appears to them.

Whose policies? While trustees are responsible for policy making, who has ever seen a policy? Not many. Yet, there should be a trustee manual of operation for each board of trustees including policies determined by all previous boards. Minutes need not be scanned for historic validation if a policy manual becomes a standard operating procedure. Who has ever seen the institution's charter or a complete set of by-laws? Not many. Yet, these are the instruments for which each trustee is responsible at law for maintaining. Each trustee should receive a trustee manual containing all pertinent documents incident to his accepted responsibility indexed and coded for instant retrieval. Such manuals should be at the trustees position during meetings and left with the institution except for special study.

What kinds of trustees? Whether trustees are appointed by public authority or are self-perpetuating, each institution should prepare and revise annually a trustee position description, a profile of a trustee for their institution, an analysis of the characteristics of present board members, and a profile of the institution as it is today. Without such guidelines, the selection of trustees is a happenstance procedure at best. Is it any wonder that one major university with an authorized self-perpetuation trustee body of 36 had 33 attorneys as members? Without such guidelines and analysis, how else can a political leader with appointive responsibility determine and be guided by the kind of volunteer leadership an institution needs? Of course, he may talk with the chief executive in advance or with trustee members, but if the institution does not have its leadership and management requirements thoughtfully and carefully determined, how can they hold others responsible for leadership deficiencies? Most institutions just do not take the time to design their leadership requirements. As a result, they must settle for mediocre leadership, unequal representation of talent and experience, and "nice" leadership without power or leverage to secure their own destiny.

Who educates trustees? Seldom is the individual trustee or the trustee body the object of a specific educative program. Perhaps the time at which he hears the most stimulating story about the institution is when he is enlisted as trustee or begins to serve. Then he is welcomed to his first meeting and the 'sentence' begins.

How can he become responsible or accept responsibility for the public trust he vows to protect? What a lonely, trusting position he occupies! One wonders what the thought process really is after his first official meeting!

The education of a new trustee and the continuing education of all trustees should include these features:

1. Trustee-in-residence. Each new trustee should be required to spend time within the organization with students, patients, clients, staff, and faculty and then officers. He should attend classes and programs; eat with students or patients; visit the library and wards, snack bar, bull sessions, faculty offices, etc. Never should he present himself as a trustee but rather as a new trustee. It's safer. Thus "in the community" he gathers the essence of what the institution is all about in capsule form at least. Trustees must give of their time and such time spent within the organization at the beginning of their tenure is absolutely critical to all subsequent involvement.

2. Trustee Retreat/Seminars. Once each year, trustees and their spouses should spend at least two days in residence away from the organization for a special program of trustee updating. Faculty, staff and other constituent groups should participate. Exciting and stimulating programs can be designed along with current issues and problems for discussion and participation.

3. Trustee Assignments. Each trustee should be assigned one committee function but not necessarily that which is consistent with his experience, education, or talent. A banker may eventually be placed on the finance committee, but he should first serve on the generic committees to find out what the institution is all about. For instance, in educational institutions, new trustees should serve on academic or student affairs committees.

4. Trustee Homework. First, the trustee should become a student of his institution - its program, its nature, its people, its publications. Next, each trustee should himself subscribe to appropriate institutional publications to keep abreast of all national issues, programs and problems. Next, trustees should be required to attend trustee association and related conferences at least once early in their tenure. Next, books, publications and articles of importance to the institution should be made available or sent for special information. Finally, reports in advance of all meetings will give each trustee an opportunity to be prepared to participate in meetings constructively and with greater personal comfort.

5. Chief Executive Newsletter. A periodic brief, Kiplinger-style newsletter from the chief executive to all trustees on all matters pertaining to the organization sustains interest without burden.

6. Socialization. Chief executives should visit with new trustees in their homes, their offices, and/or their clubs periodically, of course, by invitation. But invitations can be stimulated. Each trustee should be visited personally at least annually. Trustees and their spouses should be official guests on campus other than at meeting times.

One board of trustees was completely rejuvenated by visiting the board of a sister institution for a joint discussion of mutual interests and concerns. This practice is heartily recommended and can be extended to periodic regional meetings of boards which are of similar institutions as well as those which are of a diverse nature. Trusteemanship should be rewarding at all times and not viewed as a social burden.

What is an Executive Committee? The one function which disturbes more trustees most is, perhaps, the nature and role of the Executive Committee where this committee exists and functions or overfunctions. The use of this committee can become an abuse and a diversion from its original management intent. The executive committee was designed to meet for action between board meetings. It was never intended to replace, supplant, or denigrate the full board operation. The entire board of trustees is responsible at law. Therefore, the executive committee is only one instrumentality for the continuous operation of the board.

No matter should be brought to the executive committee for action without having gone through a standing or special committee for study and recommendation. The executive committee should have no special perogatives except emergency action unless it is intended that the executive committee be the board and the remaining members and committees of secondary importance.

The executive committee should consist of all board officers and chairpersons of standing committees to assur committee study of important deliberations. A powerful, over-active executive committee can destroy individual trustee pride and commitment to responsible attention and action. The executive committee can assure that each issue to be presented for full board action be preceded by thorough staff work on all facets of the issue.

Advocacy and Support. Trustees should do more than merely attend meetings. They will if assigned tasks and given responsibility. Trustees should be proud enough of their role to become spokesmen in their sphere of influence - professionally, socially, politically, fraternally - as informed and enthusiastic advocates of their organization. Beyond council chambers, legislative halls, - trustees should seek out platforms and media to 'show and tell' others about their institution. Generally, trustees are an invisible constituency unless they are using the board to run for the next office.

Further, trustees should be the first to provide 100% support to the annual fund programs of their organization. Because they know what services cost, because they know sources and resources required to meet budget costs, they should be the first, each according to his capacity, to provide a measure of required support needed. Where no annual fund exists, each can provide in some measure for a chief executive discretionary fund to meet urgent people and program needs.

Insulation/Isolation. One complaint most often heard is that trustees do not get all the facts. Poor staff preparation for trustee meetings abound. But there is another factor. Chief executives themselves tend to insulate and/or isolate trustees from full disclosure. For some this may be policy; for others style; for others most unintentional. Board Chairpersons have a very special

responsibility to assure that the board is as fully informed as humanly possible - even if it takes time.

Presidential Evaluation. Today no board of trustees can afford the luxury of appointing a chief executive officer then sitting back to see how he runs the institution. Not only through executive sessions, but also by the appointment of a special ad hoc evaluation committee should the board seek to assure itself that the institution is being well managed. Through such analysis chief executives can be assisted greatly in avoiding mistakes, oversights, and practices which are or may become counterproductive. Too, strengths once identified can be capitalized for even greater good. Self-evaluation through chief executive reports is insufficient. The board must assure itself through its own mechanisms that its policies are being carried out through sound management. The board may delegate authority to manage; it cannot delegate responsibility.

Board chairpersons, these are some perceptions, some concerns, some guidelines, some considerations. All result from experience reported and observed. All recommendations are in being somewhere. At no one place can we find all such recommendations. Such is the nature of individualism in our society. We are not all the same, but we can learn from others - and this is what communication is all about.

The original statement was prepared for and given at Portland, Oregon, September 1974 for Associaton of Community College Trustees

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Frantzreb, Pray, Ferner and Thompson, Inc., 1500 Wilson Boulevard, Arlington, Virginia, 22209, is a consulting firm specializing in management, developmental, governance and planning problems for colleges and universities and other non-profit organizations.